

# EXHIBIT 16

<p>Police</p> <p>FEDERAL JUD. POLICE ARR BRUSSELS CAPITAL – 6458 Research Dept. 4 Koningsstraat 202A, Box 1 1000 Brussels</p>	<p>PRO JUSTITIA SUBSEQUENT OFFICIAL REPORT 006517/2018 – 16-02-2018 Note BR.70.99.001748/2016 Dossier Examining Magistr.: 113/2016 – Examining Magistrate – Brussels (Brussels-Capital) Mr. Gaudius – 10-11-2016</p>
<p>Recipient(s)</p>	<p>Examining magistrate – Brussels (Brussels-Capital) – Mr. Gaudius Other – FGP BRUSSELS OA4 (copy)</p>
<p>Topic of the official report</p>	<p>Findings reports board of directors ADB of 2009</p>
<p>Facts</p>	<p>Abuse of good faith taking place between 01-01-2007 at 00:00 am and 31-12-2014 at 11:59 pm Embezzlement and/or intentional destruction of money, papers, etc. taking place between 01-01-2007 at 00:00 am and 31-12-2014 at 11:59 pm Money laundering taking place between 01-01-2007 at 00:00 am and 31-12-2014 at 11:59 Theft, without violence or threat, without aggravating circumstances (Ordinary theft) taking place between 01-01-2007 at 00:00 am and 31-12-2014 at 11:59 pm</p>
<p>Parties involved</p>	<p><u>In the case</u> KBC BANK (NV (Commercial Company)) ANTWERPSE DIAMANTBANK (NV (Commercial Company)) <u>Aggrieved parties</u> LAZARE KAPLAN INTERNATIONAL INC (Foreign legal form with legal personality) LAZARE KAPLAN BELGIUM (NV (Commercial Company))</p>
<p>Sent on Endorsed: 22/02/2018 (signed) Number of annexes: 10</p>	<p>Reserved recipient</p>

PRO JUSTITIA

On Friday 16-02-2018 at 11:15 am,  
We, VAN DE GUCHT ANDRE, detective, Officer of the Judicial Police, STINKENS ELLEN, detective, officer of the Judicial Police,

Inform your office of the following information,

REFERENCES

Dossier 113/2016 – Examining Magistrate GAUDIUS in BRUSSELS  
Note number BR.70.99.001748/2016 – Prosecution of BRUSSELS

INFORMATION

On 27/12/2017 the minutes for the BoD were retrieved by us from Antwerp Diamond Bank – see official report 049796/2017.

After retrieval, we found that:

- The copies of the minutes were placed in different boxes (five) by the people at Antwerp Diamond Bank, without the addition of an inventory;
- The copies were not placed in the boxes by year, so it took quite some time to gain an overview of what minutes were handed over in copy;
- The annexes were (often) adjoined to the minutes, these being documents that were discussed at the meetings. These annexes likewise are not always classified in logical order. Some annexes appear to be present twice. Naturally, this also does not give us an overview of the supplied documentation.

We therefore try to work systematically during our research and during the discussion of the minutes. In the present official report, we proceed with the analysis of the contents of the minutes of the BoD of 2009.

In 2009, meetings of the BoD of Antwerp Diamond Bank NV were held on the following dates:

19-01-2009  
09-03-2009  
15-04-2009  
12-10-2009

Annex 01: Minutes Board of Directors 19 January 2009

During this meeting, the minutes for the BoD of 14/11/2008 were approved. Furthermore, the financial situation of Antwerp Diamond Bank was discussed. This item was commented on by Mr. De Bosscher Pierre (managing director and member of the management committee).

Under the section 'Credits', among others the condition of the credit dossiers over 20 million \$ were discussed. Mr. Snoeks Guy thereby clarified the latest state of affairs in the DD Manufacturing dossier, a dossier which at that point displayed the greatest shortage of coverage (see annex 02).

Annex 02: Overview list 'Group risks' >20 million \$

In preparation of the Board of Directors meeting of 19 January 2009, this overview was submitted to the participants. During the meeting, the list was discussed by Mr. Guy Snoeks.

Both Lazare Kaplan Group and DD Mfg/KT Collection Group are mentioned in the overview:

1) Lazare Kaplan:

- Lazare Kaplan International Inc is mentioned with a PD rating of 4B; Lazare Kaplan Belgium is mentioned with a PD rating of 5A.
- LKI has an operational credit line of 45,000,000 \$, LKB has an operational credit line of 25,000,000 \$.
- To LKI, the debit position is 41,743,000\$. For LKB the debit position is 2,621,000\$.
- Solvency: 41% for LKI and 3% for LKB
- A specific guarantee of LKI Inc is mentioned.

2) DD Mfg / KT Collection group:

- Is stated to have a PD rating of 11.
- The group has an operational credit line of 120,000,000 \$.
- The debit position amounts to 105,762,000 \$.

- Solvency mention 34%.
- In the column 'Remark' the following is stated: BWB: 20,000\$ + PHZ 28,500\$ + Volm HZ 76,500\$ + PGOE 47mio USD DV.

In the context of this overview, we must report that the meanings of certain terms and abbreviations used are not clear to us. For instance, we do not know the basis or significance of the 'PD Rating'. We will enquire about the exact meaning and contents of these points (during the possible interrogations).

#### Minutes BoD 19/03/2009

##### Annex 03: Minutes Board of Directors 19 March 2009

At this meeting, the minutes for the BoD of 19/01/2009 were approved. The annual account (on a company basis) and the proposal for profit distribution 2008 were approved. Mr. De Bosscher (managing director and member of the management committee) has hereby provided the necessary clarifications;

Under the section 'Credits', Mr. Snoeks provided the state of affairs for the most relevant individual dossiers above 20 million \$. (see annex 04).

##### Annex 04: Overview list 'Group risks' >20 million \$

In preparation of the Board of Directors meeting of 19 March 2009, this overview was submitted to the participants. During the meeting, the list was discussed by Mr. Guy Snoeks.

Both Lazare Kaplan Group and DD Mfg/KT Collection Group are mentioned in the overview:

##### 1) Lazare Kaplan:

- Lazare Kaplan International Inc is mentioned with a PD rating of 5B; Lazare Kaplan Belgium is mentioned with a PD rating of 5A.
- LKI has an operational credit line of 45,000,000 \$, LKB has an operational credit line of 25,000,000 \$.
- To LKI, the debit position is 43,752,000\$. There is no debit position for LKB.
- Solvency: 41% for LKI and 3% for LKB
- A specific guarantee of LKI Inc is mentioned.

2) DD Mfg / KT Collection group:

- Is stated to have a PD rating of 11.
- The group has an operational credit line of 120,000,000 \$.
- The debit position amounts to 97,651,000 \$.
- Solvency mention 34%.
- In the column 'Remark' the following is stated: BWB: 20,000\$ + PHZ 63,500\$ + Volm HZ 41,500\$ + PGOE 50,886 \$ DV (additional securities have been negotiated).

Minutes 15/04/2009

Annex 05: Minutes Board of Directors 15 April 2009

At this meeting, the minutes for the BoD of 19/03/2009 were approved.

Mr. De Bosscher commented on the financial situation on 31/03/2009.

Under the section 'Credits', Mr. Snoeks provided the state of affairs for the most relevant individual dossiers above 20 million \$. There was only 1 new dossier with a significant shortage of coverage. (see annex 06).

Annex 06: Overview list 'Group risks' >20 million \$

During the meeting, the list was dsicussed by Mr. Guy Snoeks.

Both Lazare Kaplan Group and DD Mfg/KT Collection Group are mentioned in the overview:

1) Lazare Kaplan:

- Lazare Kaplan International Inc is mentioned with a PD rating of 5B; Lazare Kaplan Belgium is mentioned with a PD rating of 5A.
- LKI has an operational credit line of 45,000,000 \$, LKB has an operational credit line of 25,000,000 \$.
- To LKI, the debit position is 43,893,000\$. There is no debit position for LKB.
- Solvency: 38% for LKI and 2% for LKB
- A specific guarantee of LKI Inc is mentioned.

2) DD Mfg / KT Collection group:

- Is stated to have a PD rating of 11.
- The group has an operational credit line of 120,000,000 \$.
- The debit position amounts to 95,324,000 \$.
- Solvency mention 34%.

In the column 'Remark' the following is stated: BWB: 20,000\$ + PHZ 63,500\$ + Volm HZ 41,500\$ + PGOE 50,067 \$ DV + assignment of consignment filing from D.D. Manufacturing nv for consignment goods of DD Manufacturing nv with Daniel K Inc + pledge on art collection for a declared value of 28,000 USD.

We emphasize here that this deals with a 'declared value' for the art collection. This value was thus indicated by Mr. Daleyot. The effective value of this art collection could thus be higher or lower.

Minutes BoD 29/05/2009

Annex 7: Minutes decision Board of Directors per circulation 29 May 2009

This pertains to a decision made by the Board of Directors 'by circulation'.

The framework agreement for the credit provision by Antwerp Diamond Bank with guarantee provision by KBC was approved.

The board has approved a draft for the amendment of the existing framework agreement KBC – Antwerp Diamond Bank of 30/12/1999. In this framework agreement it was provided that KBC guaranteed the credit sums above the lending limit of Antwerp Diamond Bank.

This existing framework agreement was thus modified due to the 'obsolescence' of certain points.

In article 5 of the framework agreement, it is provided under what provisions the guarantees by KBC Bank are provided:

(PARAGRAPH ILLEGIBLE)

The fact that a framework agreement existed from 1999 onwards shows that KBC Bank was since that time involved in the provision of certain credits that were granted by Antwerp Diamond Bank. The new agreement from 2009 confirms this notion.

It must be verified to what extent the credits granted to DD Manufacturing/Kt Collection and/or Lazare Kaplan International/Belgium fall under the guarantee provided in this framework agreement.

Minutes BoD 12/10/2009

Annex 08: Agenda Board of Directors meeting 12 October 2009

Prior to the meeting, this agenda was submitted to the participants. A number of documents were added to this agenda that would be brought up during the meeting.

At this meeting, the minutes for the BoD of 15/04/2009 were approved. A copy of these minutes has already been adjoined to official report 006025/2018 (*Findings reports board of directors ADB of 2010*).

During the meeting, Mr. De Bosscher commented on the financial situation on 30/09/2009.

Under the section 'Credits', Mr. Snoeks clarified the state of affairs for the most relevant individual dossiers above 20 million \$.

Mr. Snoeks also provided further explanation for all dossiers with a PD rating higher than 10. In the report of the meeting, it was thereby mentioned that despite investigation by forensic auditors, the proof of fraud in 2 related problematic dossiers could not be demonstrated.



We cannot ascertain:

- What 2 problematic dossiers were hereby discussed;
- Who the forensic auditors were who carried out the investigation;
- What came out of the report of these forensic auditors.

Annex 09: Overview list 'Group risks' >20 million \$

During the meeting, the list was discussed by Mr. Guy Snoeks.

Both Lazare Kaplan Group and DD Mfg / KT Collection group are mentioned in the overview:

1) Lazare Kaplan:

- Lazare Kaplan International Inc is mentioned with a PD rating of 11; Lazare Kaplan Belgium is mentioned with a PD rating of 5B.
- LKI has an operational credit line of 45,000,000 \$, LKB has an operational credit line of 25,000,000 \$.
- For LKI, the debit position is 43,170,000\$. For LKBC, there debit position is 194,000\$.
- Solvency: 36% for LKI and 2% for LKB
- A specific guarantee of LKI Inc is mentioned.

2) DD Mfg / KT Collection group:

- Is stated to have a PD rating of 11.
- The group has an operational credit line of 63,000,000 \$.
- The debit position amounts to 60,190,000 \$.
- Solvency mention 47%.

In the column 'Remark' the following is stated: HYP 5,000 EUR + PHZ 63,500\$ + Volm HZ 41,500\$ + PGOE 38,425 \$ DV + assignment of consignment filing from D.D. Manufacturing nv for consignment goods of DD Manufacturing nv with Daniel K Inc + pledge on art collection for a declared value of 28,000 USD.

We point out that shortly hereafter (28/12/2009) Antwerp Diamond Bank sent a registered letter to LKI to terminate the credits.

Annex 10: Note for the Board of Directors of 12 October 2009 – Capital requirement

This note was submitted to the participants to the meeting as annex 5 of the agenda. During the meeting, Mr. Vinogradoff Stephane discussed the ongoing action plan to regularize the regulatory own capital deficit on 31/03/2009.

It was stated that guarantees by KBC and/or enhancement of the capital basis through profit reservation or subordinated loans must still be considered.

ADJOINED HERETO

Annexes 01 to 10: As described above

*(signed)*

Whereof deed,  
*(signed)*